

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF KENTUCKY  
AT BOWLING GREEN

FILED  
DISTRICT COURT CLERK  
WESTERN DISTRICT OF KY  
2016 MAR -9 AM 11:54

UNITED STATES OF AMERICA

v.

**TARA L. MITCHELL**  
**MECHELLE BLANKENSHIP**

INDICTMENT

NO.

1:16CR-7-GNS

18 U.S.C. § 371

26 U.S.C. § 7206(2)

The Grand Jury charges:

COUNT 1

(Conspiracy to Defraud the United States)

1. From in or about March 2012, and continuing thereafter to in or about November 2014, in the Western District of Kentucky, Logan County, Kentucky, **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP**, defendants herein, did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree together and with each other and with other individuals both known and unknown to the Grand Jury to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of revenue through income taxes.

Parties

2. At all relevant times, **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP** worked together at Triple J Tax, a tax return preparation office located in Russellville, Kentucky. **TARA L. MITCHELL** managed the Triple J Tax office. In 2012, **TARA L. MITCHELL** hired **MECHELLE BLANKENSHIP** and trained her to prepare tax returns.

**Manner and Means**

3. The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

4. **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP** prepared and electronically filed U.S. Individual Income Tax Returns, on behalf of themselves and clients of Triple J Tax, which contained statements that were false and fraudulent as to material matters, thereby causing the Internal Revenue Service to pay tax refunds that were not due under provisions of the Internal Revenue laws. Specifically, the returns stated the taxpayers had incurred educational expenses, when they had not, and thus falsely claimed education-related credits, to which the taxpayers were not entitled.

**Overt Acts**

5. In furtherance of this conspiracy, and to affect the objects thereof, the following overt acts were committed in Logan County, Kentucky, in the Western District of Kentucky, and elsewhere:

6. In or about and between March 2012 and November 2014, **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP**, willfully prepared U.S. Individual Income Tax Returns, Forms 1040, either individual or joint, for the taxpayers and calendar years hereinafter specified. The returns were false and fraudulent as to material matters, in that they represented that the taxpayers had paid education expenses, and thus were entitled to the American opportunity credit and the education credit, when **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP** knew the taxpayers had not paid education expenses, and thus were not entitled to the American opportunity credit and the education credit.

<b>Date</b>	<b>Taxpayer</b>	<b>Tax Year</b>	<b>Fraudulent Items</b>
On or about March 8, 2012	R.R.	2011	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,275 education credit
On or about January 4, 2013	B.R.	2012	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit
On or about January 17, 2013	R.P. & M.P.	2012	\$3,000 in education expenses, resulting in \$900 American opportunity credit and \$538 education credit
On or about January 18, 2013	M.G.	2012	\$3,500 in education expenses, resulting in \$950 American opportunity credit and \$763 education credit
On or about January 21, 2013	A.K.	2012	\$3,500 in education expenses, resulting in \$950 American opportunity credit and \$1,425 education credit
On or about January 23, 2013	T.H.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit
On or about January 24, 2013	D.W. & J.W.	2012	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit and \$1,500 education credit
On or about January 25, 2013	E.P. & C.P.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,118 education credit
On or about January 25, 2013	J.A.	2012	\$4,000 in educational expenses, resulting in \$1,000 American opportunity credit and \$949 education credit
On or about January 28, 2013	D.H.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,069 education credit
On or about February 1, 2013	R.R.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,275 education credit
On or about January 8, 2014	B.R.	2013	\$2,000 in education expenses, resulting in \$800 American opportunity credit



<b>Date</b>	<b>Taxpayer</b>	<b>Tax Year</b>	<b>Fraudulent Items</b>
On or about January 9, 2014	J.A.	2013	\$2,000 in educational expenses, resulting in \$800 American opportunity credit and \$693 education credit
On or about January 31, 2014	D.H.	2013	\$2,000 in education expenses, resulting in \$800 American opportunity credit and \$658 education credit

7. Further, on or about January 10, 2013, **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP** prepared a U.S. Individual Income Tax Return for Tax Year 2012 on behalf of **TARA L. MITCHELL**, fraudulently claiming education expenses in the amount of \$3,500, resulting in a \$950 American opportunity credit.

8. On or about April 11, 2013, **TARA L. MITCHELL** and **MECHELLE BLANKENSHIP** prepared a U.S. Individual Income Tax Return for Tax Year 2012 on behalf of **MECHELLE BLANKENSHIP**, fraudulently claiming education expenses in the amount of \$4,000, resulting in a \$371 American opportunity credit and a \$557 education credit.

9. On or about March 1, 2014, **TARA L. MITCHELL** assisted in the preparation of a U.S. Individual Income Tax Return for Tax Year 2013 for **TARA L. MITCHELL**, fraudulently claiming education expenses in the amount of \$4,000, resulting in a \$1,000 American opportunity credit and a \$221 education credit.

10. On or about October 15, 2014, after having been apprised of a law enforcement investigation into fraudulent education credits, **TARA L. MITCHELL** filed an amendment to her U.S. Individual Income Tax Return for Tax Year 2013 stating, "EDUCATION CREDIT SHOULD NOT HAVE BEEN LISTED."

In violation of Title 18, United States Code, Section 371.

The Grand Jury further charges:

COUNTS 2-13

(Aiding in Preparation of False Return)

11. On or about the dates hereinafter set forth, in the Western District of Kentucky, Logan County, Kentucky, defendant **MECHELLE BLANKENSHIP**, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of U.S. Individual Income Tax Returns, Forms 1040, either individual or joint, for the taxpayers and calendar years hereinafter specified. The returns were false and fraudulent as to material matters, in that they represented that the taxpayers were entitled, under the provisions of the Internal Revenue laws, to claim education expenses, in amounts hereinafter specified, which made them appear to be eligible for American opportunity credits and education credits that they were not entitled to; whereas, as defendant **MECHELLE BLANKENSHIP** then and there knew, the taxpayers were not entitled to claim education expenses in the claimed amounts and were not entitled to American opportunity credits and education credits.

12. The allegations of Paragraph 11 are repeated and re-alleged in Counts 2 through 13, inclusive, of this Indictment, as though fully set forth therein:

Count	Date of Offense	Taxpayer	Tax Year	Falsified Items
2	On or about March 8, 2012	R.R.	2011	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,275 education credit
3	On or about February 1, 2013	R.R.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,275 education credit
4	On or about January 4, 2013	B.R.	2012	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit
5	On or about January 8, 2014	B.R.	2013	\$2,000 in education expenses, resulting in \$800 American opportunity credit

Count	Date of Offense	Taxpayer	Tax Year	Falsified Items
6	On or about January 21, 2013	A.K.	2012	\$3,500 in education expenses, resulting in \$950 American opportunity credit and \$1,425 education credit
7	On or about January 23, 2013	T.H.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit
8	On or about January 24, 2013	D.W. & J.W.	2012	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit and \$1,500 education credit
9	On or about January 25, 2013	J.A.	2012	\$4,000 in educational expenses, resulting in \$1,000 American opportunity credit and \$949 education credit
10	On or about January 9, 2014	J.A.	2013	\$2,000 in educational expenses, resulting in \$800 American opportunity credit and \$693 education credit
11	On or about January 25, 2013	E.P. & C.P.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,118 education credit
12	On or about January 28, 2013	D.H.	2012	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,069 education credit
13	On or about January 31, 2014	D.H.	2013	\$2,000 in education expenses, resulting in \$800 American opportunity credit and \$658 education credit

In violation of Title 26, United States Code, Section 7206(2).

The Grand Jury further charges:

COUNTS 14-21

(Aiding in Preparation of False Return)

13. On or about the dates hereinafter set forth, in the Western District of Kentucky, Logan County, Kentucky, the defendant, **TARA L. MITCHELL**, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue



Service, of U.S. Individual Income Tax Returns, Forms 1040, either individual or joint, for the taxpayers and calendar years hereinafter specified. The returns were false and fraudulent as to material matters, in that they represented that the taxpayers were entitled, under the provisions of the Internal Revenue laws, to claim education expenses, in amounts hereinafter specified, which made them appear to be eligible for American opportunity credits and education credits that they were not entitled to; whereas, as defendant **TARA L. MITCHELL** then and there knew, the taxpayers were not entitled to claim education expenses in the claimed amounts and were not entitled to American opportunity credits and education credits.

14. The allegations of Paragraph 13 are repeated and re-alleged in Counts 14 through 21, inclusive, of this Indictment, as though fully set forth therein:

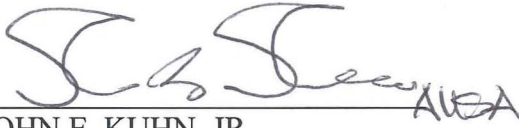
Count	Date of Offense	Taxpayer	Tax Year	Falsified Items
14	On or about January 24, 2012	R.P. & M.P	2011	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit and \$578 education credit
15	On or about January 17, 2013	R.P. & M.P.	2012	\$3,000 in education expenses, resulting in \$900 American opportunity credit and \$538 education credit
16	On or about February 3, 2012	A.K.	2011	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit and \$1,033 education credit
17	On or about February 4, 2012	D.W. & J.W.	2011	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit and \$1,500 education credit
18	On or about February 4, 2012	M.G.	2011	\$2,500 in education expenses, resulting in \$850 American opportunity credit and \$1,275 education credit
19	On or about January 18, 2013	M.G.	2012	\$3,500 in education expenses, resulting in \$950 American opportunity credit and \$763 education credit

Count	Date of Offense	Taxpayer	Tax Year	Falsified Items
20	On or about February 7, 2012	E.P. & C.P.	2011	\$3,000 in education expenses, resulting in \$900 American opportunity credit and \$1,350 education credit
21	On or about February 21, 2012	T.H.	2011	\$4,000 in education expenses, resulting in \$1,000 American opportunity credit and \$768 education credit

In violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL.

**REDACTED**

  
 JOHN E. KUHN, JR.  
 UNITED STATES ATTORNEY  
 JEK:AEG:022616



UNITED STATES OF AMERICA v. TARA L. MITCHELL and MECHELLE BLANKENSHIP

**PENALTIES**

Count 1: NM 5 yrs./\$250,000/both/NM 3 yrs. Supervised Release

Counts 2-21: NM 3 yrs./\$100,000/both/NM 1 yr. Supervised Release (each count)

**NOTICE**

**ANY PERSON CONVICTED OF AN OFFENSE AGAINST THE UNITED STATES SHALL BE SUBJECT TO SPECIAL ASSESSMENTS, FINES, RESTITUTION & COSTS.**

**SPECIAL ASSESSMENTS**

18 U.S.C. § 3013 requires that a special assessment shall be imposed for each count of a conviction of offenses committed after November 11, 1984, as follows:

Misdemeanor:	\$ 25 per count/individual	Felony:	\$100 per count/individual
	\$125 per count/other		\$400 per count/other

**FINES**

In addition to any of the above assessments, you may also be sentenced to pay a fine. Such fine is due immediately unless the court issues an order requiring payment by a date certain or sets out an installment schedule. You shall provide the United States Attorney's Office with a current mailing address for the entire period that any part of the fine remains unpaid, or you may be held in contempt of court. 18 U.S.C. § 3571, 3572, 3611, 3612

**Failure to pay fine as ordered may subject you to the following:**

1. **INTEREST and PENALTIES** as applicable by law according to last date of offense.

For offenses occurring after December 12, 1987:

No **INTEREST** will accrue on fines under \$2,500.00.

**INTEREST** will accrue according to the Federal Civil Post-Judgment Interest Rate in effect at the time of sentencing. This rate changes monthly. Interest accrues from the first business day following the two week period after the date a fine is imposed.

**PENALTIES** of:

10% of fine balance if payment more than 30 days late.

15% of fine balance if payment more than 90 days late.

2. Recordation of a **LIEN** shall have the same force and effect as a tax lien.
3. Continuous **GARNISHMENT** may apply until your fine is paid.

18 U.S.C. §§ 3612, 3613

If you **WILLFULLY** refuse to pay your fine, you shall be subject to an **ADDITIONAL FINE** of not more than the greater of \$10,000 or twice the unpaid balance of the fine; or **IMPRISONMENT** for not more than 1 year or both. 18 U.S.C. § 3615

#### RESTITUTION

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663

#### APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

#### PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE: Clerk, U.S. District Court  
106 Gene Snyder U.S. Courthouse  
601 West Broadway  
Louisville, KY 40202  
502/625-3500

BOWLING GREEN: Clerk, U.S. District Court  
120 Federal Building  
241 East Main Street  
Bowling Green, KY 42101  
270/393-2500

OWENSBORO: Clerk, U.S. District Court  
126 Federal Building  
423 Frederica  
Owensboro, KY 42301  
270/689-4400

PADUCAH: Clerk, U.S. District Court  
127 Federal Building  
501 Broadway  
Paducah, KY 42001  
270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is made.

FORM DBD-34  
JUN.85

No.

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**UNITED STATES DISTRICT COURT**

Western District of Kentucky  
Bowling Green Division

THE UNITED STATES OF AMERICA

v.

TARA L. MITCHELL &  
MECHELLE BLANKENSHIP

**INDICTMENT**

**Title 18 U.S.C. §371 (one count);  
Title 26 U.S.C. §7206(2) (20 counts);**

**Conspiracy to Defraud the United States and  
Aiding in Preparation of False Return.**

*A true bill.*

**REDACTED**

*Filed in open court this 9<sup>th</sup> day, of March, A.D. 2016.*

*Clerk*

*Bail, \$*